

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Individual Quarter 3 Months Period Ended		Cumulative Quarter 9 Months Period Ended	
	30/09/2020 (Unaudited) RM '000	30/09/2019 (Unaudited) RM '000	30/09/2020 (Unaudited) RM '000	30/09/2019 (Unaudited) RM '000
Revenue	162,669	185,613	454,709	407,874
Operating expenses				
-Depreciation & amortisation	(1,665)	(1,573)	(4,804)	(4,771)
-Other operating costs	(186,820)	(195,051)	(506,167)	(437,348)
Other income	13,946	507	14,797	1,218
Loss from operations	(11,870)	(10,505)	(41,465)	(33,027)
Share of losses in associate companies	(504)	(465)	(1,515)	(2,139)
Fair value gain on other quoted investment	10,226	21,093	1,984	30,601
Finance costs	(5,433)	(5,272)	(15,107)	(15,328)
(Loss)/Profit before tax	(7,582)	4,851	(56,103)	(19,893)
Income tax expense	(167)	(950)	(230)	(1,902)
(Loss)/Profit for the period	(7,749)	3,901	(56,333)	(21,795)
Other comprehensive income				
Fair value gain on long term quoted investment	40,904	84,371	7,937	122,405
Foreign currency translation differences for foreign operations	(722)	304	358	(527)
Conversion of Warrants into Ordinary Shares	(5,215)	-	(5,215)	-
Fair value gain on settlement of debt instrument	63,112	-	63,112	-
Total other comprehensive income for the period	98,079	84,675	66,192	121,878
Total comprehensive income for the period	90,330	88,576	9,859	100,083

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		9 Months Period Ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit attributable to:				
Owners of the Company	(6,809)	5,604	(52,865)	(17,591)
Non-controlling interests	(941)	(1,704)	(3,468)	(4,204)
(Loss)/Profit for the Period	(7,749)	3,901	(56,333)	(21,795)
Total comprehensive income attributable to:				
Owners of the Company	91,270	90,280	13,327	104,287
Non-controlling interests	(941)	(1,704)	(3,468)	(4,204)
Total comprehensive income for the period	90,330	88,576	9,859	100,083
Basic (loss)/earnings per ordinary share (sen):	(0.7)	0.6	(5.3)	(1.9)
Diluted (loss)/earnings per ordinary share (sen):	(0.5)	0.4	(4.2)	(1.3)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	As at 30/09/2020 (Unaudited) RM '000	As at 31/12/2019 (Audited) RM '000
ASSETS		
Investment in associates	18,305	19,820
Property, plant and equipment	3,579	3,446
Rights of use of assets	914	1,385
Other long term investments	229,838	429,403
Intangible assets	7,495	7,495
Development costs	7,299	9,418
Total non-current assets	267,430	470,968
Inventories	16,641	17,535
Trade receivables	106,119	147,047
Other receivables, deposits and prepayments	50,581	30,995
Fixed deposits with licensed banks	6,860	8,331
Cash and bank balances	36,608	38,335
Total current assets	216,809	242,244
TOTAL ASSETS	484,239	713,212
EQUITY		
Share capital	240,868	153,408
Reserves	120,158	106,831
Total equity attributable to owners of the Company	361,026	260,239
Non-controlling interests	(10,558)	(7,090)
Total equity	350,468	253,149
LIABILITIES		
Long term borrowings	-	272,710
Lease liabilities	187	187
Deferred tax liabilities	1,316	1,075
Total non-current liabilities	1,503	273,972
Trade payables	67,940	121,871
Other payables and accruals	53,724	55,516
Short term borrowings	9,757	7,452
Lease liabilities	847	1,251
Total current liabilities	132,268	186,091
TOTAL LIABILITIES	133,771	460,063
TOTAL EQUITY AND LIABILITIES	484,239	713,212
Net asset per share attributable to ordinary equity holders of the parent (sen)	36	28

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	-----Attributable to owners of the Company -----							Total Equity
	Non-Distributable				Sub-total	Non-controlling Interests	RM '000	
	Shares Capital	Foreign Exchange Translation Reserves	Treasury Shares	Fair Value Reserves / Warrants Reserves				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited								
At 1 January 2020	153,408	4,266	(12,217)	199,085	(84,303)	260,239	(7,090)	253,149
Issue of ordinary shares	52,070	-	-	-	-	52,070	-	52,070
Conversion of Warrants into Ordinary Shares	35,509	-	-	(5,215)	-	30,294	-	30,294
Share issues expenses	(119)	-	-	-	-	(119)	-	(119)
Fair value gain on other quoted investment	-	-	-	7,937	-	7,937	-	7,937
Foreign currency translation differences for foreign operations	-	358	-	-	-	358	-	358
Fair value gain on settlement of debt instrument	-	-	-	63,112	-	63,112	-	63,112
Loss for the period	-	-	-	-	(52,865)	(52,865)	(3,468)	(56,333)
	87,460	358	-	65,834	(52,865)	100,787	(3,468)	97,319
At 30 September 2020	240,868	4,624	(12,217)	264,919	(137,168)	361,026	(10,558)	350,468

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	-----Attributable to owners of the Company -----							Total Equity
	Non-Distributable				Sub-total	Non-controlling Interests	RM '000	
	Shares Capital	Foreign Exchange Translation Reserves	Treasury Shares	Fair Value Reserves / Warrants Reserves				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited								
At 1 January 2019	597,375	5,310	(12,217)	73,493	(493,799)	170,162	(1,548)	168,614
Cumulative effect of initial application of MFRS 16	-	-	-	-	(287)	(287)	-	(287)
	597,375	5,310	(12,217)	73,493	(494,086)	169,874	(1,548)	168,326
Conversion of Warrants into Ordinary Shares	2,081	-	-	(306)	-	1,775	-	1,775
Fair value gain on other quoted investment	-	-	-	122,405	-	122,405	-	122,405
Foreign currency translation differences for foreign operations	-	(527)	-	-	-	(527)	-	(527)
Capital Reduction	(455,515)	-	-	-	455,515	-	-	-
Loss for the period	-	-	-	-	(17,591)	(17,591)	(4,204)	(21,795)
	(453,435)	(527)	-	122,099	437,925	106,062	(4,204)	101,858
At 30 September 2019	143,941	4,783	(12,217)	195,592	(56,162)	275,936	(5,752)	270,184

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2020

	Financial period ended	
	30/09/2020	30/09/2019
	RM'000 (Unaudited)	RM'000 (Unaudited)
CASH FLOW FOR OPERATING ACTIVITIES		
Loss before taxation	(56,103)	(19,892)
Adjustments for non cash items:-		
Amortisation of development cost	2,665	2,560
Depreciation of property, plant and equipment	1,100	2,210
Depreciation of rights of use of assets	1,039	-
Impact on adoption of rights of use of assets	-	(287)
Interest income	(372)	(795)
Interest expense	14,902	15,152
Share of loss of associates	1,515	2,139
Fair value loss/(gains)	61,129	(30,602)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	25,875	(29,515)
Changes in working capital		
Decrease/(Increase) in inventories	894	(2,635)
Decrease/(Increase) in assets	21,343	(19,270)
(Decrease)/Increase in liabilities	(55,723)	39,759
	<hr/>	<hr/>
Cash for operating activities	(7,611)	(11,661)
Interest (paid)/received	(139)	785
Tax paid	11	2,379
	<hr/>	<hr/>
Net cash for operating activities	(7,739)	(8,497)
CASH FLOW FROM/(FOR) INVESTING ACTIVITIES		
Addition of ROU	(569)	-
Disposal of other investment	209,486	-
Purchase of property, plant and equipment	(1,233)	(558)
Development costs incurred	(545)	(1,264)
Net placement of fixed deposit pledged with a licensed bank	(272)	-
	<hr/>	<hr/>
Net cash from/(for) investing activities	206,867	(1,822)
CASH FLOW FOR FINANCING ACTIVITIES		
Conversion of warrants into ordinary shares	30,294	1,775
Net repayment of borrowings	(284,797)	(2,561)
Proceeds from issuance of Ordinary shares	52,070	-
Net drawdown of fixed deposit pledged with a licensed bank	-	107
Share issues expenses	(119)	-
Impact of adoption MFRS 16 Leases - Borrowing	-	(878)
Repayment of hire purchase obligations	(84)	(90)
Repayment of lease liabilities	(320)	-
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Net cash for financing activities	(202,956)	(1,647)
Net decrease in cash and cash equivalents	(3,828)	(11,966)
Foreign exchange translation differences	358	(531)
Cash and cash equivalents at the beginning of the financial period	40,152	53,429
Cash and cash equivalents at the end of the financial period	<hr/>	<hr/>
	36,682	40,932
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	36,608	31,459
Fixed deposit with licensed bank	6,860	16,173
	<hr/>	<hr/>
	43,468	47,632
Fixed deposit pledged with licensed bank	(6,786)	(6,700)
	<hr/>	<hr/>
	36,682	40,932

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting

A1 Basis of preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of Chapter 9 Part K of the Main Listing Requirement of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

A2 Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2019 except for the new standards, amendments to publish standards and interpretations that are mandatory for the Group's financial year beginning on or after 1 January 2020 as set out below:

- a) Amendments to MFRS 101 and MFRS 108- Definition of Material
- b) Amendments to MFRS 3- Definition of Business
- c) Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform
- d) Amendments to Reference to the Conceptual Framework in MFRS Standards

The adoption of the above standards and interpretations does not have significant financial impact to the Group's consolidated financial statements.

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2021, and have yet to be adopted by the Group:

- a) MFRS 17 - Insurance Contracts
- b) Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current
- c) Amendments to MFRS 116 - Property, Plant and Equipment
- d) Amendments to MFRS 137 - Onerous Contracts-Cost of Fulfilling a Contract

A3 Auditors' report on preceding annual financial statements

The auditors issued an unqualified audit opinion on the financial statements for the year ended 31 December 2019.

A4 Seasonal or cyclical of operations

The Group's operations were not materially affected by any seasonal and cyclical factors.

A5 Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6 Material changes in estimates

There were no material changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial period under review.

A7 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the period ended 30 September 2020 except for the follows:

- a) The conversion of 239,000 warrants into ordinary shares at an exercise price of RM0.40 per share.
- b) The private placement of 100,134,000 new shares at an issue price of RM0.52 per share.

A8 Dividends payment

There were no dividends paid or proposed during the current financial period under review.

A9 Segmental information

Segmental information is provided based on geographical segment by customers' location as follows:-

Results for the financial period ended 30 September 2020	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	21,525	31,313	52,838
Communication Services	-	394,944	394,944
Digital Services	6,927	-	6,927
	<u>28,452</u>	<u>426,257</u>	<u>454,709</u>
Results			
Software and Devices	(5,759)	(8,379)	(14,138)
Communication Services	-	(2,788)	(2,788)
Digital Services	(20,145)	-	(20,145)
Investment Holding	(4,765)	-	(4,765)
	<u>(30,670)</u>	<u>(11,167)</u>	<u>(41,837)</u>
Fair value gain on other quoted investment			1,984
Finance costs			(15,107)
Finance income			372
			<u>(54,588)</u>
Share of net loss of associate			(1,515)
Loss before taxation			(56,103)
Income tax expense			(230)
Loss after taxation			(56,333)
Non-controlling interests			3,468
Loss after taxation & non-controlling interests			<u>(52,865)</u>

Results for the financial period ended 30 September 2019	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	3,670	28,768	32,438
Communication Services	-	371,061	371,061
Digital Services	4,375	-	4,375
	<u>8,045</u>	<u>399,829</u>	<u>407,874</u>
Results			
Software and Devices	(742)	(5,815)	(6,557)
Communication Services	-	(5,274)	(5,274)
Digital Services	(17,148)	-	(17,148)
Investment Holding	25,759	-	25,759
	<u>7,869</u>	<u>(11,089)</u>	<u>(3,220)</u>
Finance costs			(15,328)
Finance income			794
			<u>(17,754)</u>
Share of net loss of associate			(2,139)
Loss before taxation			(19,893)
Income tax expense			(1,902)
Loss after taxation			(21,795)
Non-controlling interests			4,204
Loss after taxation & non-controlling interests			<u>(17,591)</u>

A10 Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

A11 Material events subsequent to the end of the quarter

The material events announced subsequent to the end of the quarter are as follow :

- a) On 13 July 2020, the Company announced the listing and quoted investment of 100,134,000 Private Placement Shares ("Placement Shares") representing 9.99% of the issued share capital of the Company (excluding treasury shares) as at 3 July 2020, pursuant the Company announcement of the Private Placement on 10 September 2019 and bursa approval on 25 September 2019 and 17 March 2019.
- b) On 12 August 2020, the Company announced that it proposes to undertake the private placement of new ordinary shares in GPB ("GPB Shares" or "Shares") ("Placement Shares"), representing up to 10% of the total number of issued shares in GPB (excluding treasury shares) ("Proposed Private Placement"), at an issue price to be determined and fixed at a future date, under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") approved by its shareholders at the Company's 18th annual general meeting ("AGM") convened on 23 July 2020. On 1 September 2020, Bursa Securities had approved the listing and quotation of up to 190,273,400 new GPB Shares to be issued pursuant to the Private Placement subject to conditions. On 28 October 2020, 5% of the proposed private placement was completed via issuance of 55,000,000 new shares at 50 sen each - raising gross proceeds of RM 27.5 million.
- c) On 24 July 2020, the Company, Mobikom Sdn Bhd, RHB Investment Bank, CIMB Investment Bank Berhad and Malaysian Trustees Berhad had entered into a supplemental agreement to vary certain terms contained in the programme agreement dated 22 September 2014 relating to the issuance of up to RM210.00 million nominal value of eight (8)-year redeemable exchangeable medium term notes by the Company ("Proposed Variation"). The Supplemental Agreement has become unconditional on 13 August 2020 following the fulfilment of all conditions precedent set out in the Supplemental Agreement. On 24 August 2020, Mobikom Sdn Bhd issued a notice to exchange all of its RM186,782,377.19 nominal value of the Exchangeable MTNs upon the terms and conditions of the Programme Agreement and Supplemental Agreement. On 7 September 2020, GPB and Mobikom have completed the exchange the Exchangeable MTNs held by Mobikom for all of the webe Securities held by P1SB comprising 5,200,694 webe Shares and RM37,455,000 nominal value of webe CMTN. The completion of the Exchange shall mark the full and final settlement of the Accreted Value of the Exchangeable MTNs as at 31 December 2019 amounting to RM272,585,394.00. Following this, P1SB, a wholly-owned subsidiary of GPB has ceased to be a shareholder of webe. On 18 September 2020, the Company announce that they have entered into the Termination Deed to cancel the Exchangeable MTN Programme and to terminate the Programme Agreement and Supplemental Agreement with immediate effect.
- d) On 29 June 2018, the Company announced that it proposes to undertake the establishment and implementation of Share Grant Scheme ("SGS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Proposed SGS, for the Eligible Persons. On 16 January 2019, the Company announce that the effective date for the implementation of the SGS, being the date on which the Company fully complies with the requirements under Paragraph 6.43(1) of the Listing Requirements. On 11 September 2020, the Company announce in pursuant to Paragraph 9.19(51) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to grant up to 15,305,900 new ordinary shares of the Company under Green Packet Berhad ("GPB" or the "Company") Share Grant Scheme to eligible Executive Directors and employees of GPB ("Eligible Persons") at no consideration in accordance with the By-Laws. The SGS Shares will be allotted and vested with the Eligible Persons at any point in time during the duration of the Proposed SGS, subject to the fulfilment of the Vesting Conditions which include the achievement of the identified performance targets ("Base Target" and "Stretch Target") and/or service objectives as determined by the SGS Committee at its discretion.
- e) On 28 September 2020, the Company announce that its wholly-owned subsidiary, Packet Interactive Sdn Bhd ("PISB") proposes to entere into a share subscription agreement with Censof Holdings Berhad to subscribe for 5,356,831 new ordinary shares representing 51% of the enlarged share capital in T-Melmax Sdn Bhd for a total cash consideration of RM250,000.
- f) On 4 November 2020, the Company announce its indirect wholly-owned subsidiary, Roadmio Technologies Corporation, a company incorporated in Taiwan has commenced member's voluntary winding-up made pursuant to Taiwan Company Act (Sections 83 & 326).

A12 Changes in the composition of the Group

There is no change in the composition of the Group during the current financial quarter ended 30 September 2020 except as follow:

- a) On 7 August 2020, GPB has incorporated a wholly-owned subsidiary, Green Packet Cloud Sdn Bhd with a total issued and paid-up capital of RM1,000,000.
- b) On 14 August 2020, GPB has incorporated a wholly-owned subsidiary, Kiple Capital Sdn Bhd with a total issued and paid-up capital of RM1.
- c) On 3 September 2020, GPB has incorporated a wholly-owned subsidiary, Kiple X Sdn Bhd with a total issued and paid-up capital of RM1.
- d) On 24 September 2020, GPB has incorporated a subsidiary for 51 new shares in Kiple Kendall Capital Partners Sdn Bhd representing a 51% of the issued and paid-up capital of RM51.

A13 Contingent assets and changes in contingent liabilities

The following are the changes in the Group's contingent liabilities as at end of current quarter under review.

	Financial period ended 30-Sep-20 RM'000	Financial period ended 31-Dec-19 RM'000
<u>Secured</u>		
Performance bond	4,500	-

At the end of the current quarter under review, the Company has provided corporate guarantees for banking facilities to the subsidiary, which will not result in potential financial liability to the Group, as follows:

	Financial period ended 30-Sep-20 RM'000	Financial period ended 31-Dec-19 RM'000
<u>Utilised Portion:</u>		
NGT Networks Pte Ltd	7,213	-
Kiplepay Sdn Bhd	334	-
Total	7,547	-

A14 Capital commitments

Capital expenditure of the Group not provided for as at 30 September 2020 in relation to plant and equipment were as follows:

	Financial period ended 30-Sep-20 RM'000	Financial period ended 31-Dec-19 RM'000
Authorised and contracted for	289	-

A15 Significant related party transactions

The Directors of GPB are of the opinion that there are no related party transactions which would have material impact on the financial position and the business of the Group during the current financial period under review.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B1 Review of the performance of the Group**

Financial review for current quarter and financial period to date:-

	3 months quarter ended			9 months period ended		
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change
	RM million	RM million		RM million	RM million	
Revenue	162.67	185.61	-12%	454.71	407.87	11%
Operating Loss	(11.87)	(10.50)	13%	(41.47)	(33.03)	26%
EBITDA	0.02	12.16	-100%	(34.68)	2.35	-1578%
(Loss)/Profit Before Tax	(7.58)	4.85	-256%	(56.10)	(19.89)	-182%
(Loss)/Profit After Tax	(7.75)	3.90	-299%	(56.33)	(21.79)	-158%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(6.81)	5.60	-221%	(52.87)	(17.59)	-201%

Total revenue, EBITDA and loss after tax ("LAT") of the Group stands at approximately RM162.67 million, RM0.02 million and RM7.75 million respectively for the current financial quarter ended at 30 September 2020 ("3Q20") as compared with total revenue, EBITDA and profit after tax ("PAT") of the Group stands at approximately RM185.61 million, RM12.16 million and RM3.90 million respectively for the current financial quarter ended at 30 September 2019 ("3Q19").

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months quarter ended			9 months period ended		
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	25.92	24.29	7%	52.84	32.44	63%
Communication Services	135.36	159.78	-15%	394.94	371.06	6%
Digital Services	1.39	1.55	-10%	6.93	4.38	58%
Total	162.67	185.61	-12%	454.71	407.87	11%

- Software and Devices business registered 7% higher sales in the current quarter compared to year on year basis mainly due to higher shipment to ASEAN.
- The Communication Services business recorded a lower revenue of 15% in the current quarter as compared to the previous year on year mainly due to decrease in sales from telecommunication carriers in ASEAN, Hong Kong and China.
- The Digital Services business recorded a lower revenue of 10% in the current quarter as compared to the previous year on year mainly due to decrease contribution from Perak Prihatin ("PPP"), Kedah Ibu Darul Aman ("KIDA") and decrease in online ecommerce transactions during the RMCO period.

B1 Review of the performance of the Group (continued)

EBITDA comprises the following:-

	3 months quarter ended			9 months period ended		
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	(8.52)	0.56	-1614%	(11.97)	(4.94)	-142%
Communication Services	0.06	(1.40)	104%	(2.00)	(4.47)	55%
Digital Services	(5.78)	(6.63)	13%	(17.65)	(14.93)	-18%
Investment Holding	14.26	19.63	-27%	(3.05)	26.68	-111%
Total	0.02	12.16	-100%	(34.68)	2.35	-1578%

The EBITDA in the current quarter of RM0.02 million as compared to a EBITDA of RM12.16 million in the previous corresponding quarter mainly due to higher costs incurred for the Solutions business coupled with higher costs incurred to strengthen the Group engineering center of excellence in Chengdu, PRC and increase in marketing costs to promote the new workplace safety solution.

Due to RMCO, the EBITDA in Software and Devices has been impacted by higher logistic costs incurred in delivering Set-Top-Box (“STBs”) directly to the consumers instead of central distribution and deferred production cost for the manufacturing of STBs resulting in EBITDA losses of RM8.52 million as compared to a EBITDA of RM0.56 million in the previous corresponding quarter.

(Loss)/Profit after tax comprises the following:-

	3 months quarter ended			9 months period ended		
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change	<u>30-Sep-20</u>	<u>30-Sep-19</u>	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	(8.89)	0.01	-72753%	(14.14)	(6.55)	-116%
Communication Services	(0.33)	(2.56)	87%	(2.98)	(6.85)	57%
Digital Services	(6.63)	(7.30)	9%	(19.94)	(17.02)	-17%
Investment Holding	3.81	(1.61)	-337%	(4.64)	(4.51)	3%
Finance cost*	(12.04)	(11.45)	5%	(41.70)	(34.93)	-19%
Fair value gain on other quoted investment	(5.43)	(5.27)	-3%	(15.11)	(15.33)	1%
Share of loss of associate	10.23	21.09	-52%	1.98	30.60	-94%
Share of loss of associate	(0.50)	(0.47)	-8%	(1.51)	(2.14)	29%
Total	(7.75)	3.90	-299%	(56.33)	(21.79)	-158%

*Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

The higher LAT was mainly due to higher costs incurred for the Solutions business coupled with higher costs incurred to strengthen the Group engineering center of excellence in Chengdu, PRC and increase in marketing costs to promote the new workplace safety solution.

B2 Material changes in the quarterly results compared to the results of the preceding quarter

Financial review for current quarter compared with immediate preceding quarter:-

	3 months period ended		% Change
	<u>30-Sep-20</u>	<u>30-Jun-20</u>	
	RM million	RM million	
Revenue	162.67	144.99	12%
Operating Loss	(11.87)	(16.95)	30%
EBITDA	0.02	(6.45)	100%
Loss Before Tax	(7.58)	(13.54)	44%
Loss After Tax	(7.75)	(13.28)	42%
Loss Attributable to Ordinary Equity Holders of the Parent	(6.81)	(11.98)	43%

Total revenue and LAT of the Group for the current financial quarter ended 30 September 2020 ("3Q20") were RM162.67 million and RM7.75 million respectively as compared to the revenue and LAT of the Group for the previous preceding financial quarter ended at 30 June 2020 ("2Q20") of RM144.99 million and RM13.28 million respectively. The substantial improvement in LAT in the current quarter was mainly due to other income from settlement of EMTN borrowings via the exchange/transfer of the Webe Digital Sdn Bhd Shares held by the Group to Mobikom Sdn Bhd, the EMTN notes holder amounting to RM14.30 million coupled with fair value gain from a quoted investment of RM 10.00 million as compared to a fair value gain of RM 9.00 million in the previous preceding quarter.

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months period ended		% Change
	<u>30-Sep-20</u>	<u>30-Jun-20</u>	
	RM million	RM million	
Software and Devices	25.92	15.02	73%
Communication Services	135.36	127.50	6%
Digital Services	1.39	2.47	-44%
Total	162.67	144.99	12%

Overall, revenue for current quarter was higher than the previous preceding quarter mainly due to increase in the revenue from Software and Devices and Communication Services.

EBITDA comprises the following:-

	3 months period ended		% Change
	<u>30-Sep-20</u>	<u>30-Jun-20</u>	
	RM million	RM million	
Software and Devices	(8.52)	(1.80)	-373%
Communication Services	0.06	(2.21)	103%
Digital Services	(5.78)	(6.51)	11%
Investment Holding	14.26	4.07	-250%
Total	0.02	(6.45)	100%

Overall, the increase in the EBITDA in the current quarter as compared to the last preceding quarter was mainly due to the settlement of EMTN amounting to RM14.30 million.

B2 Material changes in the quarterly results compared to the results of the preceding quarter (continued)

Loss after tax comprises the following:-

	3 months period ended		% Change
	30-Sep-20 RM million	30-Jun-20 RM million	
Software and Devices	(8.89)	(2.21)	-302%
Communication Services	(0.33)	(2.22)	85%
Digital Services	(6.63)	(7.13)	7%
Investment Holding	3.81	(5.12)	174%
Finance cost*	(12.04)	(16.69)	28%
Fair value gain on other quoted investment **	(5.43)	(5.15)	-5%
Share of loss of associate	10.23	9.00	-14%
Share of loss of associate	(0.50)	(0.44)	-15%
Total	(7.75)	(13.28)	42%

* Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

** Fair value adjustment on quoted investment as at 30 September 2020

B3 Financial year ending 31 December 2020 prospects

- a) The Board expects satisfactory performance for the current financial year, despite the impact of Covid-19 pandemic. This is based on the fact that the Group's on-going initiatives indicated below, have started to show positive traction on its overall business:-
- i. Expand the geographical reach and competitive supply chain arrangements for LTE products.
 - ii. Improve operational efficiency for wholesale voice traffic and wholesale data business to improve earnings for the communication business.
 - iii. Adopt Artificial Intelligence application and the introduction of new digital solutions for workplace safety to achieve synergistic and vertical integration with eKYC solution and cloud technology.
- b) **Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced**
- There was no financial forecast previously announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable

B5 Financial estimate, forecast or projection/profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

B6 Income tax expense

	Financial period ended 30-Sep-20 RM'000
Current period tax expense	230

B7 Status of corporate proposals and utilisation of proceeds

The status of Corporate Proposals announced but not completed for the current financial period under review are as follow:

- a) On 16 June 2020, the Company announced that it has entered into a Term Sheet with the shareholders of Xendity Pte Ltd ("Xendity") ("the Sellers") for the proposed acquisition of the entire equity interest in Xendity (Company No: 201704574Z) ("Target Company"), comprising 3,105,263 ordinary shares in the Target Company ("Sale Shares") from the Sellers for a purchase consideration of up to United States Dollar ("USD") 10.0 million ("Purchase Price") ("Proposed Acquisition"). The Purchase Price is intended to be satisfied through a combination of cash amounting to USD1.5 million and the remaining USD8.5 million via the issuance of new ordinary shares in Green Packet at an issue price to be determined later. The Proposed Acquisition is subject to the Company and Sellers (collectively referred to as the "Parties") entering into the Definitive Agreements upon completion of due diligence and other Condition Precedents. On 15 September 2020, the Company announce that pursuant to a letter received from Xendity Pte Ltd on 14 September 2020 which was accepted by the Company on 15 September 2020, the Parties have mutually agreed to extend the validity of the Term Sheet to 31 December 2020.

B7 Status of corporate proposals and utilisation of proceeds (continued)

- b) The utilisation of Right Issues proceeds completed on 4 Dec 2018 are as follows:

Purpose	Proposed	Actual
	Utilisation	Utilisation
	RM '000	up to date of Announcement RM '000
(i) Purchase of trade equipment	25,935	25,935
(ii) Future viable investments	10,000	1,310
(iii) Working capital for media and digital services	10,000	10,000
(iv) Working capital for Fintech solutions	5,000	5,000
(v) General working capital	8,346	8,346
(vi) Estimated expenses	800	800
Total	60,081	50,082

- c) The utilisation of Private Placement proceeds completed on 13 July 2020 are as follows:

Purpose	Proposed	Actual
	Utilisation	Utilisation
	RM '000	up to date of Announcement RM '000
(i) Future viable investments	15,000	6,319
(ii) Working capital for digital services segment - ("Fintech solutions")	35,000	8,064
(iii) General working capital	1,870	1,870
(iv) Estimated expenses	200	200
Total	52,070	16,453

B8 Group borrowings and debt securities

Total borrowings of the Group are as follows:

	As at 30 September 2020		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Trade facilities	-	2,424	2,424
- Revolving Credits	-	7,333	7,333
- Hire purchases creditors and lease liabilities, which are denominated in Ringgit Malaysia.	187	847	1,034
Total	187	10,604	10,791

	As at 30 Sep 2019		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	267,361	-	267,361
- Term loan	334	55	388
- Revolving Credits	-	7,433	7,433
- Hire purchases creditors and lease liabilities, which are denominated in Ringgit Malaysia.	150	1,396	1,546
Total	267,845	8,884	276,728

B9 Material litigations

There were no material litigations involving the Group as at the date of this announcement.

B10 Dividends

No dividend has been declared or recommended in respect of the current financial period under review.

B11 Earnings per share**Basic (loss)/earnings per share**

Basic (loss)/earnings per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	3 months quarter ended		9 months period ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(6,809)	5,604	(52,865)	(17,591)
Weighted average numbers of ordinary shares in issue ('000)	993,873	909,237	993,873	909,237
Basic (loss)/earnings per share (sen)	(0.7)	0.6	(5.3)	(1.9)

B11 Earnings per share (continued)**Diluted (loss)/earnings per share**

	3 months quarter ended		9 months period ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(6,809)	5,604	(52,865)	(17,591)
Weighted average numbers of ordinary shares in issue ('000)	993,873	909,237	993,873	909,237
Assuming exercise of outstanding warrants ('000)	272,334	446,170	272,334	446,170
Weighted adjusted numbers of ordinary shares in issue ('000)	1,266,207	1,355,407	1,266,207	1,355,407
Diluted (loss)/earnings per share (sen)	(0.5)	0.4	(4.2)	(1.3)

B12 (Loss)/Profit for the Period

	3 months quarter ended		9 months period ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
(Loss)/Profit for the period is arrived at after charging :				
Amortisation/Impairment of :				
- development cost	980	830	2,665	2,560
Depreciation of plant and equipment	372	741	1,100	2,211
Rental of premises	73	74	291	201
Loss/(Gain) on foreign exchange				
- realised	12	71	(18)	(835)
- unrealised	467	453	264	549
Staff costs:				
- defined contribution plan	831	759	2,481	2,119
- salaries and other benefits	11,124	9,684	33,295	27,420
Interest expense:				
- hire purchase	3	3	9	10
- exchangeable medium term notes	5,430	5,269	15,098	15,318
and after crediting :				
Interest income	148	337	372	794

B13 Authorisation for issue

The interim financial statements were authorised for release by the Board of Directors on 11 November 2020.